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June 7, 2004

**BY HAND DELIVERY** (AND FACSIMILE)

Mr. Lawrence H. Norton  
Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR: Environment 2004, Inc.

Dear Mr. Norton:

This letter is submitted on behalf of Environment 2004, Inc., in response to the complaint filed by the Republican National Committee and Bush-Cheney '04, Inc.

For the reasons set forth below, the Federal Election Commission should find no reason to believe that Environment 2004 has violated the Federal Election Campaign Act of 1971, as amended or the Commission's regulations, and it should dismiss this matter.

The complaint implicates Environment 2004 in only two charges. The first is a specific charge against Environment 2004: that the purpose of the organization is to influence a federal election. Complaint at p. 27. The second is a group charge against all of the Respondents to the complaint: that the named "groups and individuals have conspired to circumvent the law by creating a network of newly formed 527 political organizations . . . to illegally raise and spend soft money, and coordinating their efforts, all with the express purpose of defeating President Bush." Complaint at p. 65. These allegations are false.

Environment 2004 is a membership organization as defined in 11 C.F.R. § 100.134(e) (2004). Its members meet the definition of members in § 100.134(f). Therefore, costs incurred by Environment 2004 to communicate with its members are expressly exempted from the definition of "expenditure" under 11 C.F.R. § 100.134(a).

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The e-mail solicitation included in the complaint at Attachment H was a member communication. It was sent only to current members of Environment 2004. Thus, it was not an "expenditure" under the definition of § 100.111(a). The other activities referenced in the e-mail were also member communications exempt under § 100.134(a).

Environment 2004 does not make expenditures as defined in the Federal Election Campaign Act. Environment 2004 has a separate segregated fund registered with the Commission, Environment 2004 Inc. PAC (C00386045), through which it does make expenditures. Environment 2004 has not received contributions or made expenditures aggregating in excess of \$1,000 in a calendar year, and it is not a political committee under § 100.5(a).

In response to the allegation that Environment 2004 conspired with others to circumvent the law, the allegation is baseless. The absence of any reference to law or facts that would support this wild allegation testifies to the speciousness of the charge. The absence of facts is not surprising because there are no facts that would support this claim. Similarly, by alleging only that Environment 2004 conspired to "circumvent" rather than "violate" the law, complainants reveal the lack of a legal foundation for their claim.

As against Environment 2004, this complaint is no more than a political libel that the Commission should quickly dismiss. To take these allegations seriously would make the Commission an unwitting partner in political machinations of respondent's political adversaries, the consequences of which will be to place a cloud over legitimate political activity and to force Environment 2004 to divert resources away from the political arena. The Commission should recognize the complaint for what it is – a political ploy – and for what it is not – a legitimate legal complaint.

For the reasons detailed above, Environment 2004 respectfully requests that the Commission dismiss the complaint.

Very truly yours,



Karl J. Sandstrom

Counsel to Environment 2004, Inc.

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